

MEMORANDUM

Memo #14-008-01

TO: Chief Kevin Treadway

FROM: Sgt. Matt Wright

DATE: January 21, 2014

RE: Liquor application for Canyon Diablo Spirits – A new series 1 (In-State Producer) license

On January 21, 2014, I initiated an investigation into an application for a new series 1 “In State Producer License”. The “In State Producer License” is described by the Arizona Department of Liquor License and Control as follows:

In-State Producer - Series 1

This non-transferable liquor license allows an in-state producer to produce or manufacture all types of spirituous liquor and sell the product to a licensed wholesaler. A person who holds an In-State Producer license may also sell liquor produced or manufactured on the licensed premises for on-site consumption if the producer also holds an on-sale retail license (See series 06, 07 or 12 below). The retail license premises must be located on, or adjacent to, the licensed premises of the in-state producer. Internet sale of liquor is not permitted in the state of Arizona. Liquor must be delivered to an Arizona liquor-licensed wholesaler, then an Arizona liquor-licensed retailer prior to delivery to the consumer.

This application is filed by William Ahern (controlling person/agent), Joseph Pendergast and Dana Kanzler owners of Diablo Canyon Spirits. William Ahern, Joseph Pendergast and Dana Kanzler will share in the day to day operations of the business. Canyon Diablo Spirits is located at 506 N. Grant St., Suite C in Flagstaff (Grant Street interests with Industrial, the business is located behind Latham’s Collision Center). The license number being applied for is 01033002.

I conducted a query through our local systems and public access on William Ahern (controlling person/agent), Joseph Pendergast and Dana Kanzler. William Ahern was found to have been arrested for DUI in 2005 of which he plead guilty. Dana Kanzler self-reported a criminal game and fish violation which was later dismissed. No derogatory records were found on Joseph

Pendergast. I spoke with William Ahern who stated he and Dana Kanzler were part owners of Mogollon Brewing Company which has since gone out of business for financial reasons. No previous liquor violations were found for any of the applicants. William said they plan to produce fine spirits for sale to licensed wholesalers. William said their focus is on high end whiskey and bourbon. Their business location is currently under renovation but they plan to open as soon as they can.

All three applicants have completed the Arizona Department of Liquor Law Training course as required and provided proof.

Based on this investigation I can find no reason to oppose this application.